

## ROUND TABLE DEBATE

### **“20 Years of Transformation – The Polish and Russian Experiences”**

Faculty of International Studies and Political Studies, University of Łódź

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*Alicja Stepień-Kuczyńska\**

It has lately been increasingly difficult for political scientists to describe the present state of transformation and democratization of young democracies' political systems. It is even more problematic in the case of post-communist states, since integration and globalization processes in which they, to various degrees, participate, force the ruling elites to compare themselves with stable democracies in a “challenge” for democratic values and their implementation. In the context of political instability at the beginning of the XXI century, one is justified in wondering about the future of transformation and democratization in post-communist states given that, in some of them, the authoritarian tendencies of the rulers obstruct democratization processes. Most of the theoretical considerations of Western political science have to be supplemented with empirical observations of transition in post-communist countries.

In the last dozen or so years there have been significant changes in the region of Central and Eastern Europe, regarding the institutions of political systems and electoral law. In general, they comply with democratic standards. Nevertheless, institutionalization of the system has not been pro-

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gressing fast enough lately. The dynamics of the beginning of the nineties of the XX century cannot be matched.

If we refer to the literature on conditions of democratization (Lipset, Linz, Huntington, Rustow), we may distinguish the following factors: social agreement as to the most important goals of democracy; level of economic development (economic growth, stabilization); development of civil society, norms and values of citizenship; trust in institutions and elites of the system; effectiveness of governing.

The region's countries have much to do in each of these areas. Although the democratization process connected with systemic transformation has been completed in most cases, it is necessary to move one step further, i.e. to deepen the democratization. At this stage the source of the system's legitimacy is no longer efficiency, but rather the quality of governing. Most likely, we shall witness a struggle for values, not procedures. If so, the area undergoing major revolution will be the party system. It is the parties that are responsible for the political process. Party leaders who understand it emphasize questions of ideology and party platform. These sorts of questions will make it possible to distinguish between parties when electoral strategies and governing techniques become relatively uniform. The strategies used by parties depend on their financial assets. In this connection we can look back to the initial stage of transformation in 1989/91, when a great variety of party platforms gave citizens genuine choice.

We are now facing a serious crisis of trust in public institutions and political elites in the region's countries. It manifests itself, amongst other ways, in the declining election turnout and high volatility. Both rulers (the often alienated world of politicians) and the ruled feel less and less responsible for the state, sociologists warn. Communication between the two groups is disturbed (Wnuk-Lipiński). Citizens are uncertain as to the intentions and actions of the authorities. A lack of party and political affiliation becomes the preferred attitude of young people, intellectuals, for whom it constitutes an expression of disapproval for the way the country is governed. The responsibility of elites and citizens requires transparent relations between them, dialogue and consensus, whose conditions should not be dictated by the rulers, but should serve the purpose of deeper democratization. It is only possible when the ruling elites, elected in democratic elections and responsible before citizens, share power, rather than concentrating it in the name of effective and efficient governing. Too much stress on the effects of governing at the cost of its quality, as measured by democratic standards, given the weakness of other factors I mentioned before, leads to the retreat of democratization processes.

Democratization is peculiar in each state. The important step everywhere is to empower citizens (not exclusively through the act of voting), to

encourage their active participation in public life, necessary for any free and civil society. Otherwise political scientists will have to reflect on the state of democracy and come up with adjectives to describe it, such as formal, steered, sovereign etc. All of this bears witness to dysfunctional features of the democratization process, an interesting field for political science research. It does not, however, contribute to democratization of the system – it only serves unscrupulous politicians, who use it as an alibi for their mediocre performance.

*Valery Kovalenko\**

In our day, world history is taking shape in the global civilizational river in which all nations, states and regions of the world swim, united by the concern of our common fate. All of them walk into this river equipped with their unique cultural hallmarks, their own traditions and customs, viewpoint and history.

United in diversity, these conflicting entities are the symbol of our world's cultural richness, their existence proves its viability as a complex and dynamic socio-political system.

There has been no country in which modernization has taken place other than through its national and political traditions.

Modernization has manifested itself many times in Russia's social history, including current times, and teaches us that the aims of any such endeavour should go hand in hand with peoples' expectations and correspond to society's condition and its mentality. Only by meeting such conditions can the course of reform get the necessary social legitimization, leave behind the world of ideas and reflections, and become relevant.

We can and even should, as the great Russian historian Vasiliy Kluhevsky has said, have the use of others' inventions, but doing so we should refrain from copying others' way of life, viewpoints and social order. As each honest man has his own mind, his own wife, so each honest man should have his own way of life and viewpoint.

A good part of contemporary political studies researchers' work is concentrated on understanding the crucial factors of societal changes, its vectors and forces that determine their destination points. Among others, there is one such factor that is called a regime's institutional coordinates with regard to the current macro-social dimension. That factor is believed to be responsible for the creation of a particular framework for the institutional environ-

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ment. Institutional constructs that are in conflict with the existing macro-social environment are fragile and short-lived. Historical selection works within the framework of connecting particular macro-social contexts with the right (proper, adequate) institutional environment.

It would be wise to make an assumption that in the past, within the so called classical school of modernization theory, modernization was understood as a linear, progressive process. Nations and states that underwent modernization were expected to overtake other more developed nations and countries, and by that process learn how to organize their economies, political processes and state order. Such an interpretation of modernization has become the subject of sustained critique, because we have witnessed modernization failures and collapses in many countries. That is why so much attention is now being paid to fully understanding the socio-cultural features of the environments in which political processes take place, society's mentalities, etc.

What is our argument? We have made the term of social change a core category in social science. It's logical and understandable: the extent and amount of social changes is overwhelming. A common denominator of changes is too important for all human kind to be missed in studies. The question arises, what really does change, what is the substrate of changes?

The trouble with current changes in Russia started as early as the beginning of the 1990s. Attempts to import designs and ideas, mostly of liberal origin, that were non-traditional for Russian culture have proved problematic.

The welfare state and a socially oriented economy is the most characteristic feature of social life. During its historical evolution, liberalism, a foundational ideal of the European tradition, moved from its most elementary individualistic forms to its more socialized exemplifications. Let me remind you of the discussion of changes in capitalism, which took place at the beginning of the 20th century between Marxists and various groups of leftist non-radicals (revisionists). The debates revealed perspectives on the development (and the forms) of capitalism typical for that period of time.

Narodniki argued that capitalism had no future in Russia, because it increased the exploitation of people and broke traditional peasant ties to the domestic market. They contended that the only salvation was to be found in exports. Unfortunately Russia could not become an exporting superpower, so capitalism as a way of organizing social life had no necessary foundation and that is why capitalism would not take root in Russia.

Marxists (not only Bolsheviks) argued that additional goods could be obtained by constant change in the ways of production. They were right because they fully grasped the evolving European reality.

Even if that model was correct from an industrial modernization point of view, it gave birth to social tensions.

During Roosevelt's New Deal in the United States economic problems were resolved thanks to the development of the domestic market. During that period of American history, and thanks to Roosevelt's policy on the one hand and scientific and technological progress on the other hand, the role of the middle class grew, and this group was expanded to include some farmers, the working intelligentsia and highly qualified workers. The result was that the colossal social tensions existing at that time were successfully softened.

In the Russian social dimension of life, questions of social order have traditionally had the upper hand and have had priority over searching for more acceptable political solutions. The State in Russia was invariably, as always, perceived against the backdrop of its social roles and aims.

Nowadays, in the framework of changes being currently undertaken in Russia, science, education, public health care have become priorities of state policy. In modern societies aspects of social life are often seen as an unpleasant burden by the state administration, which is mainly concerned with the development of the economy. However, education, healthcare, science and culture should be perceived as crucial factors of change, and as fundamental to modernization, providing the proper moral dimensions to social conditions. Without handling these aspects of social life adequately Russia won't become a strong country and won't get the place it deserves in the XXI century.

All these problems and questions place several important challenges in front of political science students. First of all we have to correctly define who is the subject of pro-modernization efforts and changes. We should abandon the illusions of the 1990s that such a role can be played by the "private owner". It is important to acknowledge the fact that if for XIX century's society the main factor driving the development of the economy was labour and capital, for the contemporary post-industrial world such a role is played by knowledge. Our mission is not only to study purely political changes taking place in our social systems, but also to conduct studies on their other aspects, from angle of political science. Let me remind you about the reforms of Alexander II; even if they had no open political component, they ultimately had serious and long lasting political consequences.

An innovative attitude to the development of the country should not be confined to innovative changes in the economy and state's administration; innovation should be transferred to and be used in the spheres of education and science.

*Alexandr Shirinjanz\**

We are now discussing our (Polish and Russian) experiences, gathered by both nations during last twenty years of transformation. It is commonly agreed that there is always some kind of theory, theoretical idea at the bottom of each transformation process. But I have doubts whether such a conclusion is right. First of all, not all social transformations are based on any given and specific theoretical set of ideas; secondly, decisions taken in offices, without social consent, don't always bring the most desired results. I have asked you a question – was there any theory guiding Lech Wałęsa's and Solidarity's actions in their confrontation with communist rule? I have not heard any clear, and what is more important, convincing answer. In my opinion this is quite understandable, because there was no theoretical scheme that was guiding Solidarity to overthrow communist rule. Solidarity's activists and supporters were fuelled by myth and utopias, one of them and probably the strongest one was the myth of freedom, the utopia of solidarity...

Myth and utopia are intimately tied up with the culture of a given society. Taking for granted that society is a group of people and Man is an enigma, it is almost impossible to determine why a specific myth was born in that place and time – social science is helpless when it comes to explaining such phenomena. On the other hand there is one constant feature typical for myths – they do not vanish entirely, contrary to the naive expectations fostered by the Enlightenment's philosophers. To the contrary, during the course of the historical evolution of humankind, its consciousness became more and more mythological; man dove with great eagerness into a virtual reality. The technological revolution and other products of development herald the era when the world of illusion triumphs over reality.

Myth has great magnetic force; this is because myth is relatively easy to comprehend, to understand its message – myth by its nature is part of human consciousness. Myth can be called an illusion, but its influence is so great from a socio-political point of view that we can describe it as a part of reality.

Contemporary myths should be seen as strategic weapons used by politicians all over the world, no matter what kind of ideology they profess. Where there is politics there is ideology, and as we know, politics is not destined to be practised according to its original and fundamental precepts. Utopia is the core of any ideology, an unrealizable dream which is to be reached, but remains unattainable. Still, as with any dream, myth has its

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own logic and meaning, it mobilizes people, drives their energy and actions towards specific targets.

Summing up, it is unwise to blindly follow theoretical schemes; it would be enough to take them as some kind of nonrepresentational set of ideas helping one to attain the desired level of self-improvement, rather than trying to impose them (ideas and values) on other people. Even in times of great change...

*Andrei Akremenko\**

Major problems in Russian transition processes (economical, political and social) have a common root: the ineffectiveness of the institutional system. We see institutions as behaviour-driving rules, supported by exogenous sanctions (new institutional paradigm). So the political system is a system of institutions the basic function of which is to redistribute resources (values) in and for society (this is close to Easton's understanding of the issue). Here we use "resources" as a very broad category: both human capital and oil extraction rent payments may be considered in this way. The central question is whether the institutional design of the political system provides an optimal allocation of the resources – in the Pareto sense. There are three main reasons for a "resource leak" in a redistribution process: management and organizational expenses, including bureaucracy maintenance etc., competition of lobby groups, existence of narrow coalitions of special interests.

We will concentrate on the last point; those coalitions are characterized by the following key features: their size (number of members) is small in comparison to the size of society as a whole. This feature is critical because it provides coalitions with an opportunity to maintain longitudinally fixed or even increasing profits in a situation when overall society resources diminish.

The interests of such coalitions do not coincide with common social interests; in that sense we call them "special interests". Those coalitions obtain significant "negotiation force" (political influence – let's mark it I) that gives them the ability to affect political decision makers.

Members of such groups have incentives for collective action (their relatively small size is one of those incentives). They are usually characterized by comparatively high levels of social capital and the ability to support incomplete institutional contracts.

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They use redistributive (political) strategies to receive revenues (call it P). As far as we see the political world in an "institutionally redistributive" way, we may call those coalitions "institutional investors".

In general such coalitions are very competitive as political actors. The very existence of special interest coalitions is an attribute of any political system, so in general it is quite normal. We are starting to face problems when coalitions receive exclusive access to political power. It is the so called "lock in effect" (D. North). That is the Russian case.

My primary hypothesis is the following: In Russia the redistributive coalitions obtain negotiation power disproportional to their revenues. Mathematically speaking, there is a nonlinear function connecting P and I. Without going into profound mathematics, let us say that the strategic consequences of the redistributive process become unmeasured (or very problematically estimated). I would say that it tends to maximize delayed costs of political power and reduces the overall effectiveness of the political system.

*Andrzej Stelmach\**

Russian electoral law is changing in a huge and very dynamic way. This has been obvious since the time of the transformation of the old system. New and more effective election procedures are being sought. If these changes are to contribute to the furtherance of democratic system transformations, increase the legitimization of power and help build civil society, then they are justified. However, it may be the case that legislators' intentions are different. The intention may be, for example, to stabilize the current political system, reinforce the party system or create conditions for stable government. Another rationale that is fundamental to changing electoral law has more of a pragmatic character. It comes from the desire to improve and simplify election procedures.

Regardless of legislators' intentions, the evolution of electoral law in the Russian Federation may be looked at from several parallel perspectives. As far as the formal legal aspect is concerned, the most important changes are amendments in legal regulations or in the constitution and the electoral statute. Taking the ideological aspect into consideration, the shaping of social awareness and citizens' political attitudes are examined. Citizens should be encouraged to participate in elections and have a preference for one of the political options.

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As far as technical and organizational aspects are concerned, actions undertaken by those in power for their own purposes tend to make use of specific electoral techniques such as the opportunity to vote via mail or Internet, changing the date of the election etc.

From a propaganda point of view it is all about running the election campaign. The most important element in this area is to manipulate opportunities for the electoral committee to have access to the mass media and to voters at the same time.

In terms of the financial aspect, the change in electoral law is connected with the rules of financing and accounting for expenses incurred by the electoral committee during the election campaign, as well as material support for the party from the state budget and other sources.

Russian electoral law is changing. On top of the electoral statutes passed in 2005, further amendments relating to, for example, the nomination of candidates and the rules of voting for all the candidates were implemented in 2006.

It can be assumed that the changes have taken place as a result of the desire to further reinforce the influence of the party on the political system and the mechanisms of ruling. They are dependent upon stimulating the development of the party as well as the reinforcement of their roles and meaning in the electoral process. With further changes proposed for the electoral statute to federal legislation and the legislation of federal subjects, there is clearly an intention to further enhance the importance of the party in the political system.

The increasing importance of political parties in Russia has been accompanied by a significant enhancement of system requirements to which political parties must adhere. The party must have a minimum of 50,000 members and must have its own structures in more than half of the Federation. The regional branches of the party should have at least 500 members. If the organization does not meet the above requirements then it cannot be registered. In the case of existing parties not meeting these criteria, they will lose their status of being a political party.

Particularly characteristic of the current Russian electoral system are the regulations that candidates in elections are chosen exclusively by the political parties. The central resolution authorities make a decision during a secret ballot about putting a candidate forward to the federal candidate list. At the same time a decision about the order of names on the list is taken. The method of nominating candidates and the order of voting are clearly stated in the constitution of political parties. The regulations dictate that non-party people may comprise a maximum of half of the proposed candidates. In order to ensure the representation of all subjects of the Russian Federation in the Duma, each federal list of candidates must have the names of the candidates divided into special regional groups.

The election statute of 2005 increased the requirement for the minimum support for the electoral committee in the elections to the Duma from 5 to 7% of the total voting constituency. This increased electoral threshold favoured (and certainly it was intended by the creators of this electoral statute) binding political parties with similar policies and programmes. This tendency significantly affected the smaller parties that were unable to get 7% support of the constituency on a nationwide scale. By introducing exclusiveness of the political parties to propose federal lists of candidates and the electoral threshold of 7%, the possibility of creating electoral blocks was eliminated. The advantage of it was that the electoral blocks were created practically only to increase the prospects of parties to gain mandates. Once this goal was achieved there was no longer the will to make programme compromises. In reality the electoral blocks were characterized as unstable, lacking in compromise and ability to co-rule.

In the new electoral statute a mixed (majority – proportional) electoral system made way for a proportional system. The main argument that was highlighted was the disproportion which often occurred in the number of votes needed to get a mandate and those obtained in one-mandate constituencies by certain candidates. It often happened that the winner of the election got significantly less votes than the total votes given to all the other candidates. It meant that the majority of the voters in the electoral constituency did not succeed in electing their chosen representative. This argument however is quite weak. It would be enough to introduce the rule of the absolute majority and the problem of the representativeness of an elected member could be resolved. It would require making a decision of admissibility of a second round of elections which would significantly lengthen the electoral procedures and also increase the cost.

Further arguments may be made in favour of abolishing one-mandate election constituencies in Russia. It often happened that mandates were gained by candidates who put themselves forward as 'independent' i.e. those who were not connected with either party. But after the election they sought access to parliamentary party factions. In this way voters' reluctance to vote for political parties and their tendency to vote for independent candidates was taken advantage of. During the election to the Duma in 2003 there were 67 candidates elected who had stood as independents. However, when the parliament started functioning, only 7 of them retained the status of an independent. The others joined party factions.

The proportional electoral system predicts that only three candidates may be proposed from the federal electoral list. The rest of the federal list must be divided into a minimum of one hundred regional groups of candidates. This is designed to encourage the political parties to put forward candidates in all regions of Russia. It will bear fruit in the growth of party

structures regionally and not only in the big political centres of Moscow and Saint Petersburg. Non-party candidates may also be proposed on party lists. New regulations in the compilation of electoral lists have made the leaders of the political parties look for leaders outside the federal structures as well. In this way there has been a decentralization of party structures, and an increase in the influence and significance of regional departments and the local political elite. The parties are made to expand their area structures, which results in extending their political influence in more and more areas of society. Moreover there is a tendency to reject local groups from political influence in regions (federation subjects), and replace them with strong nationwide parties. To execute this plan the social support which must be gained by a political party must be increased on a national scale to take part in the division of mandates to the national Duma.

The electoral statute clearly prefers the bigger political parties. Introducing the proposed 7% threshold instead of 5% shows a tendency to eliminate from political life regional and small political parties with low levels of social support.

Because Russia is a federal state, legislators seek to guarantee representation in the federal legislative body of all subjects of the Federation. To fulfil this aim, a particular division of the nation into electoral areas is required. This is done by dividing the number of voters registered in the territory of the Russian Federation by 650,000. The quotient (the integral number) equates to the number of parts into which the Federation is divided. The difference in the number of voters in each electoral area of the Federation cannot be more than 15%.

The regional part of the federal list of candidates should include all subjects of the Federation. The number of the regional group of candidates cannot be less than 80 and the total number of proposed candidates cannot exceed 600 people. In the original version of the election statute of 2005 these requirements were respectively 100 for the regional group of candidates and a maximum of 500 candidates. This change gives a significantly greater chance for the free formation of the candidates' lists by political parties.

In order to register a federal list of candidates a party must get 200,000 voter signatures. But no more than 10,000 of the signatures can come from any one district of the Federation. In the case of early or premature elections, the above-mentioned numbers are reduced by half. A party which took part in the division of mandates in the former elections to Duma does not have to collect signatures of support with their announcement of the federal list of candidates.

On the electoral list (a ballot paper), the names of the candidates from the national-federal list of candidates are given first and then the names of the first three candidates from regional groups of candidates. There is an

empty square to the right of the name of the political party. At the bottom of the list there is the sentence 'against all the federal lists of candidates'.

To make the election valid, at least 25% of voter turnout on a national scale is required. The right to divide mandates is given to the federal list of candidates if on a national scale it gets at least 7% of the votes of those who participate in the election. If all the federal lists of candidates who exceeded the 7% electoral threshold have not got 60% of votes in total, then when dividing the mandates the political parties must also include those who received most of the votes thereafter. This is so that the parties that participate in dividing the mandates have more than 60% of votes in total.

A rather complex system of converting votes into mandates was also introduced. First the so-called electoral quotient is determined, which is of a nationwide quotient nature. To calculate it Thomas Hare's equation is used. Afterwards the method of the biggest remainder is used.

The law says that the amount of money coming from the electoral fund and committed to an election campaign cannot be higher than 400 million roubles. The law regulates clearly the level of expenses of the party structures.

The sources of financing of political parties are also clearly defined. A voter may pay into the fund of an electoral party a sum equal to 0.07% and of a private person 3.5% of the electoral limit. The payment from the party account cannot exceed 50% of the limit of expenses. There is an absolute ban on financing a party from foreign sources.

Before the election a party should pay a deposit of 15% of predicted total expenses for the election campaign (60 million roubles). If the party does not get the minimum of 4% of votes of people taking part in the election on a national scale, or it is not admitted to the dividing of the mandates, then the deposit goes to the State treasury.

In order to reinforce the actions of a political party, its financing has been significantly increased from the State budget. For each vote given to the federal electoral list of the political party it receives 5 roubles. This is 10 times more than it was granted under the former regulations. This sum is paid into the bank account of each political party that received at least 3% of votes in the election to the National Duma (or in a presidential election) on a national scale.

The presented analysis shows that the changes in the parliamentary electoral law exert a huge influence on the functioning of the party system of the Russian Federation. The solutions accepted in the elections to the national Duma are in favour of bigger parties, having well built territorial organizational structures and significant financial back-up. Parties that are widely supported by society can count on significant financial support from the state. Parties that have less social support have found it increasingly

difficult to remain in the political arena. If they do not get a certain level of social support in the election they will not only be unable to participate in the ruling political structures, but they may also be omitted from the allocation of money from the national budget. In extreme cases a party may not get a deposit returned from the registration of a candidate, which then makes the situation even worse. Indeed it is very likely that in the next electoral cycle such a party will not have enough money to participate in the election. In this way it will cease to play any role in the political system. There will be a concentration of the party system based on the elimination of the smaller political parties. Consequently there will be just a few big parties remaining on the political stage.

*Małgorzata Rączkiewicz\**

In Poland, the tradition of a democratic state is one of the oldest in Europe. It covers the period of the so-called gentry's democracy and then the first European Constitution of 3rd May 1791. The Polish people also demonstrated their desire to live in a system of pluralistic democracy in 1989. The transformation of the Polish political system was initiated by the events of 1989, particularly the decisions of the Round Table. The instability of the party system and the electoral system, as well as proposals of constitutional amendments put forward from time to time continue and the process of transformation is not finished yet.

The Polish Constitution was adopted on the 2nd of April 1997 and was accepted in a nationwide referendum held on 25th May 1997. The Constitution lays down fundamental principles upon which the socio-economic system is based, regulates the competence of government organs and state administration, and enumerates the rights and obligations of citizens.

The most radical changes, effected by the new Constitution, focus on the four main issues through the introduction of new constitutional principles. For example, one principle declares the state to be the common good of the citizens, while another highlights the decentralization of public power, or social market economy.

Provisions concerning freedoms and rights: We can observe an open attitude to so called international humanitarian law.

Transformation of the third power – judiciary. There has been a considerable strengthening of guarantees for independence of judges and, in this

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context, an extension of the provisions concerning the National Council of the Judiciary.

The constitution of 1997 occupies the top position in the hierarchy of legal documents, and is applied directly. Other law sources recognized in Poland include parliamentary acts, international agreements, executive orders, directives, local law and regulations.

The constitution also presents the principles of the Polish political system. The most important are: The principle of the sovereignty of the nation. Article 4 reads: 'Supreme power in the Republic of Poland shall be vested in the Nation'. Power is exercised by the Nation through the mechanism of elections and representative democracy. Another form of direct democracy is (local and nationwide) referendum. The Constitution also provides for the procedure of popular initiative, the principle of the independence and sovereignty of the state. One of the fundamental duties of the Polish President is to safeguard the sovereignty and security of the state, and maintain the principle of a democratic state ruled by law.

The principle of civil society – in Poland this refers to freedom of speech and political pluralism. It includes the freedom to create associations, societies and organizations, and respect for human rights. The Polish Constitution guarantees equality before law, inviolability of the home, freedom of conscience and religion, and the right to a fair trial.

The principle of the separation of powers – the Polish system is based on the separation and balance of three powers: legislative, executive and judicial.

The Polish political system, like other systems undergoing transformation, is characterised by high instability and weakness of state structures. Imprecise, socially unaccepted law invites abuses, which, in turn, undermine citizens' trust in state institutions and political elites. It has recently been customary for the executive to question the decisions of the Constitutional Tribunal and to trespass onto the judiciary's sphere of competence. The legislation concerning the functioning of state institutions (Institute for National Remembrance, National Broadcasting Council) has often been changed in an attempt to subordinate the state to the ruling party.

There are many obstacles, too, on the way to civil society as a basis of the relation between citizen and state. The hardships of the transformation period have resulted in numerous political crises and the weakness of cabinet coalitions.

After 1989 the Polish people had to learn the democratic procedures they had no opportunity to experience in the previous 50 years. Sejm elections are based on the principles of universality, directness, equality, proportionality and secret ballot. Senate elections are universal, direct, by secret ballot and non-proportional.

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*Michał Słowikowski\**

Nowadays the lack of trust in the main political institutions displayed by Polish society is one of the most acute problems of Poland's political system. A high level of social distrust in political institutions is typical for all regimes building on the rubble of a post-communist past. In post-communist countries citizens were deliberately and almost completely deprived of their political rights and privileges. Regimes that so drastically rob their societies of their rights, even in the sphere of economic activity, are called illiberal autocracies. These were mainly East European communist regimes dependent on the Soviet Union.

In the Polish case, the institutions with the lowest level of trust among all political institutions are political parties and parliament. This is manifested during elections in particular by a high level of electoral volatility, and an extremely low level of turnout. The most striking example of the deepening gap between Polish society and its elites (grouped around political parties) is a regular change in society's political preferences when it comes to deciding the new parliament's composition – every ruling party in Poland since the beginning of the 1990s has lost in a subsequent election.

The roots of the public's lack of trust in political parties can be found in the communist past and in the following period of building a democratic system as well. Characteristic of the Polish democratic transition were attempts to liberate the political system from parties; constant changes inside the party system, temporary political entities and flux in political ideologies and manifestos. Even worse, these changes were masterminded by the same group of people. Consequently, Polish society feels alienated and lost in the jungle of political offers, declarations and promises. The world of politics seems to be a distant and unknown or even a corrupt place for ordinary people. Pre-election political life turns the Polish political system into a grotesque and sometimes cruel battleground, which makes Poles even more dissatisfied with their ruling elite.

Sometimes it looks like Poles and their representatives exist in two different universes; politicians seem to be completely uninterested in the needs and expectations of their constituents. Bearing in mind the mutual lack of interest and comprehension between society and politicians, there are no signs that society is ready to engage in more active participation in politics that could result in existing elite group renewal. There are no signs of political tension within Polish society that may open the way to violent riots like those in Hungary.

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Societal passivity is exemplified by the fact that the main theme of current political discourse – should Poland develop in the future as a liberal or welfare state – was imposed from above by the political elite. The so called conflict between a liberal and communitarian vision of country development was artificial and exaggerated.

Societal passivity can be attributed to the condition of civil society that came out of communist period – it was seriously wounded and is still underdeveloped and unprepared to undertake serious collective actions, and to the fact that there are no sufficiently grave socio-economic problems affecting the various strata of Polish society to potentially stimulate collective action and more active participation in politics.

It is important to understand that, due to the improving standard of living in Poland and the general improvement of all socio-economical indicators, Poles have in a natural and evolutionary way lost their interest in politics.

Moreover, Poles are quite satisfied with their government's policy when analyzed on a long-term perspective. From the very beginning of the democratic transition each Polish government's policy more or less satisfied the expectations of the majority of citizens. Polish society is almost totally homogeneous so there is no rivalry between different groups of society on an ethnic basis.

The almost complete isolation of politicians from their supporters can be partially attributed to the alleviating effect of Poland joining the EU. Many problems, including the high rate of unemployment, were solved by the opening of foreign labour markets. We are now witnessing a huge inflow of money from different European funds, which helps to reduce the developmental gap between Central and Western Europe in infrastructure and in the agricultural sector. By joining NATO and the EU, our government achieved one of the main priorities of Polish foreign policy and fulfilled its strategic goal. Joining the European family is interpreted in Poland as a family reunion, long awaited and warmly welcomed.

*Marek Barański\**

The Constitution of the Republic of Poland of 2nd April 1997 incorporates territorial self-government into the territorial system of the state, which creates conditions for the decentralization of public power. Section 2, Article 16, says that "Local government shall participate in the exercise of public

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power. The substantial part of public duties which local government is empowered to discharge by statute shall be done in its own name and under its own responsibility." The territorial system of the Republic of Poland aims to ensure the decentralization of public power.

The basis for building the territorial structure of the country that was adopted in Poland takes into account the diversity of traditions and interests of local communities and, at the same time, allows the formation of strong units at the lowest level – only about 23% of districts (gminy) are inhabited by less than 5,000 residents.

The second, classic level of local government and administration in Poland was created on 1st January 1999, and consists of 308 land counties and 65 municipalities granted the rights of a county. There is also territorial self-government at the regional level with 16 voivodship self-governments.

Territorial self-government performs two kinds of tasks. The first category comprises the tasks assigned directly to it by particular laws and legal acts. This group of tasks includes mandatory tasks (a district has only limited freedom as to how to proceed in a particular case) and optional tasks, which remain within the discretion of a district. The district finances its own tasks from its own revenues, subventions and subsidies from the state budget.

The second category of tasks of territorial self-government comprises other public duties of state administration commissioned to it by statute. Duties of state administration may also be transferred to the district based on the agreement with public administration organs. This category includes, for example, keeping administrative registers and holding elections and referenda. Local authorities receive the funds necessary to perform these tasks from the state budget.

The range of tasks and competencies of the district and the voivodship self-government is based on the blanket clause. In the case of the county, all tasks performed by the second level of the Polish territorial self-government are defined by statute.

One of the principles of the multi-level self-government is the principle of subsidiarity, based on which competencies are assigned to particular levels of territorial self-government. The first level of territorial self-government is responsible for such tasks as financing nursery and primary schools, housing, roads and local transport, maintaining technical infrastructure (e.g., water supply, sewage, heating), waste management, basic health-care and welfare, finally, keeping public order. The second level of territorial self-government is held responsible for those tasks that go beyond the scope of competence of the basic level, for example, healthcare, secondary and vocational education, spatial management, economic growth and environment protection.

The independence of territorial self-government within the administrative structure of a state, as well as the degree of decentralization of public finance in a given country, is defined by the share of its spending in total public spending and by its relation to the gross domestic product. The share of spending of the units of territorial self-government in the total spending of the public finance sector rose from 15.6% in 1998 to 22.4% in 2000.

In Poland, the total revenue structure of districts showed that the largest part came from their own revenue streams – 54.8% – whereas general subvention and earmarked subsidies accounted for 33.6% and 11.6% respectively. In 1999 the total revenue structure of the counties showed that their own revenues reached 6.2%, whereas the general subvention and earmarked subsidies accounted for 44.4% and 49.4% respectively. In the case of voivodships, their own revenues reached 18%, general subvention 34.7% and earmarked subsidies 47.3%.

The intention of decentralizing public finance in Poland, which was the foundation of the administration reform, was not realized. The creation of new units of territorial self-government did not result in a decreased level of centralization of public finance, measured by the share of the revenue of all units of territorial self-government in the total revenue of the whole public finance sector. This share decreased from 12.2% in 1998 (when only districts were in existence) to 11.8% in 2000 (including districts, counties and voivodships).

In terms of the organizational structure, units of local government perform their duties through constitutive and executive organs. These organs are referred to as the council and the board respectively. The council chooses its chairperson from among its own members, whereas the chairperson of the board heads the executive organ.

In the case of the first level of territorial self-government, councillors are elected directly. The elections of the representatives of the local community to the constitutive organs of the second level of territorial self-government are also direct. The same mechanism is used to elect councillors to the regional voivodship council. The appointment of the members of the collegial executive body of the local government is conducted by indirect elections. In Poland, at the level of the county, the council elects the starosta, who later nominates the members of the board to be appointed.

The basic issue for the quality of the Polish territorial self-government is the need to strengthen its position by providing more substantial and stable funding.

An attempt to assess the public administration in Poland proves that the process of modernizing it in formal and procedural terms is one of the most advanced in comparison to other countries in the region. Poland has made great progress, compared to other countries of Central and Eastern Europe,

in building territorial self-government. It is the only country which has a three-level territorial self-government system (the district – the county – the self-governing voivodship). The reform, however, has its weaknesses, too. They stem from the focus of its authors on administration and system elements, while social and economic issues – in particular, the problem of regional development policies – have been neglected.

The new territorial organization of the state, adopted on 1st January 1999, has many drawbacks. This particularly concerns an excessive number of counties, which often do not have adequate potential to perform their tasks. The creation of municipalities granted the rights of a county is also questioned. In most cases, their authorities are in conflict with the authorities of actual counties, which leads to numerous difficulties for citizens and hampers the development of administratively divided sub-regions. Another weakness of the administrative reform is the insufficient decentralization of public finance (the transfer of tasks and competencies without providing adequate funds). As a result of flaws in the design and negligence in the implementation of the administrative reform, the county self-government – similarly to the regional self-government – has only limited possibilities of performing its duties.

At the level of regional self-government we can observe recentralization tendencies, the centres of which are not only ministries, but also voivods. All voivodships face conflicts between self-government administration and state administration. Moreover, the issue of transferring property and institutions both to voivodship and county self-governments has not been fully regulated. In terms of regional development, the most significant fact is that the State Treasury (voivods) is reluctant to transfer regional development agencies to Marshall's Offices and local development agencies to counties. This indicates the intention of voivods of the remaining active regional development centres. After 1.5 years of implementing new solutions, the main beneficiary of the administrative reform seems to be the state administration, as it has transferred the most difficult and cost-generating competencies to self-governing voivodships and counties, yet it has retained the funds and administrative structures which allow the spending of these funds.

The main reason for the weaknesses in the Polish public administration is the existence of a number of negative factors which have accumulated in the last ten years. First of all, the administration structures have been colonized by political parties. Furthermore, politicians perceive the administration less and less frequently as a tool that can be used to build the public good, and more and more frequently as a "political reward" that they have earned.

The efficient functioning of the public administration is also hindered by the poor quality of the law and the weakness of the bodies appointed to

enforce it. Inconsistent and flawed regulations concerning the administration are additionally weakened by the growing area of administrative decisions. The poor quality of law, coupled with the increased decision-making competencies of officials (who are not always qualified to make these decisions), causes increasing criticism among citizens.

Another reason for the poor condition of public administration is the weakness of political leadership, which in this context means the lack of a clearly defined target structure. Despite a number of initiatives (e.g., the reform of the centre, the reforms of self-government) and a wide public debate, Poland still lacks a clear and precise vision of the role of public administration (in particular, the state administration) in the system of the state's executive branch.

More and more frequently, criticism can be heard that there are no mechanisms which protect the public interest, both in terms of external procedures, such as civic audit, and internal procedures, operating within the structure of public administration. These inadequate mechanisms are a real cause for concern, in particular in the light of growing problems which can be interpreted as threats to the public interest (e.g., in the sphere of state property management).

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The Polish system transformation was initiated by the so-called Round Table agreements, which have marked the beginning of the political transition process, crowned by the first free elections to the Polish Parliament. Social, cultural and economic conditions for system transformation were established.

Following the Polish economist, M. Nasiłowski, the concept of system transformation can be understood as a "transition from a centrally planned economy to a market-orientated one, involving a change of the political system and creating market conditions for the functioning of all economic entities, i.e., enterprises, budget entities and households". In this definition we can clearly distinguish the following concepts: system transformation, political system transformation and economic transformation.

In the Polish transformation we can identify three periods: the years from 1989 to 1992, a period of radical changes sometimes called "shock therapy"; the years from 1993 to 1997, a period of stabilising the situation by introducing institutional changes, attempts to restructure through privatisa-

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tion and deregulation of the state industry sector and the development of market institutions; from 1998 until now, a period of strengthening the new socioeconomic system.

The government of M. Rakowski initiated changes in the economy by implementing the Act of 1989 on undertaking business activities and thus laying the foundations for building a free market. Subsequent changes, known as the Balcerowicz Plan, were supported by the Sejm, which passed a parcel of ten acts, enabling the realisation of the Plan on 27th and 28th December, 1989. The implementation of the Balcerowicz Plan, containing a stabilisation program and a program for system changes, started at the beginning of 1990.

The acts contributed to balancing the market, quickly removing market shortages existent in the socialist economy. The discrepancy between demand and supply was resolved by increasing prices and following a restrictive fiscal policy. The increase in prices was ten and sometimes even fourteen-fold. The prices of food items rose by 30 to 40%. Real wages fell by 35%. The Polish zloty was depreciated against the American dollar with a simultaneous introduction of internal convertibility of the zloty into other currencies. The positive effects of the transformation could be observed in Polish entrepreneurship, unseen in other countries, increasing the innovativeness of enterprises and the competition, which forced economic "thinking".

The social and economic costs of these successes were very high. Analysing the 1990-2005 data of the Central Statistics Office we can see that already in the first year of the "Balcerowicz Plan" production fell by 25% and in the following one – by a further 12%. The drop in the textile sector reached 14-50%. Some economists see this as a positive process of "purifying" the economy of low efficiency enterprises. This view, however, gives rise to justifiable doubts. There was mass unemployment (15-26%). The increase in fuel and raw material prices led to an increase in costs of production. Endless wage demands contributed to the growth of inflation (40% in 1994). The unilateral opening of the Polish market and mass purchasing of imported goods worsened the problems of local producers. Polish enterprises, unprepared for competition, were unable to face the well-organised Western corporations. State enterprises were faced with a particularly difficult situation; in practice their system of tri-governance, i.e. the management, employees' council and trade unions, meant mutual blocking of positive changes proposed by decision-making centres. Business communities placed their hopes in the Polish Sejm's passing an Act on Commercial Chambers (Journal of Laws No 35 of 30.05.1989, item 195). It was expected that entrepreneur organisations would be included in the process of adopting decisions associated with the transformation of the economy. Unfortu-

nately, the transformation process was carried out without taking into account the social factor. This role could have been performed by economic self-government, signalled in the Act on Chambers of Commerce, yet not established to date.

The attitude towards the textile industry is marked by a certain dichotomy: on the one hand it is treated as a cumbersome "hunch" spoiling the image of Łódź, and on the other hand it is expected that its competitiveness will improve without any active support of local authorities.

The huge scientific and research potential and the entrepreneurship of Łódź entrepreneurs is being forgotten. Some officials draw their knowledge of industry from pages of Reymont's famous novel "The Promised Land", whereas the entrepreneurs are interested in developing a new "Innovative Promised Land".

Both Łódź and its region have the chance to become an European centre for the development of innovative techniques and technologies, and for the education of textile and clothing industry personnel. The clothing industry has the ability to transform the voivodship capital into a "fashion city" within the next few years. But the achievement of such goals is possible only through a harmonious cooperation of the triad: the world of science – entrepreneurs – local authorities. The consequences of changes brought about by the economic transformation were particularly painful for the textile and clothing sector of Łódź and the Łódź region. And yet, in contrast to the industries that had billions of zlotys pumped into them, it shows an incredible vivacity, progressing towards a model in which knowledge and innovativeness are decisive for establishing its role and place in the national economy.

The process of transformation is one of never-ending metamorphosis. Its continuation constitutes a prerequisite for constant development.